



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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**Subject: Exchange Traded Notes due March 13, 2031 Linked on a Leveraged Basis to the Credit Suisse Merger Arbitrage Liquid Index**

**Background Information on the Securities**

As more fully explained in the Registration Statement (No. 333-158199-10) for the Exchange Traded Notes due March 13, 2031 Linked to the Credit Suisse Merger Arbitrage Liquid Index (Net) (the "Securities"), the Securities are senior medium-term notes of Credit Suisse AG ("Issuer"), acting through its Nassau Branch, maturing October 6, 2020. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus ("Prospectus").

The return on the ETNs is linked on a leveraged basis to the performance of the Credit Suisse Merger Arbitrage Liquid Index (Net) (the "CS Merger Arbitrage Liquid Index" or the "Index"). CS Merger Arbitrage Liquid Index is reported on Bloomberg under the ticker CSLABMN and attempts to employ a merger arbitrage strategy by using a quantitative methodology to track a dynamic basket of securities held as long or short positions and cash weighted in accordance with the index rules to reflect publicly announced merger transactions that meet certain qualifying conditions.

Subject to the requirements described in the Pricing Supplement, investors may offer the applicable minimum repurchase amount or more of ETNs to Credit Suisse for repurchase on any business day during the term of the ETNs until March 6, 2031. The minimum repurchase amount will be equal to 50,000 ETNs. The trading day immediately succeeding the date the investor offers ETNs for repurchase will be the valuation date applicable to such repurchase. If an investor elects to offer ETNs for repurchase, and the requirements for acceptance by Credit Suisse are met, the investor will receive a cash payment in an amount equal to the "daily repurchase value", which is the closing value of the ETNs on the applicable valuation date. Credit Suisse Securities (USA) LLC ("CSSU") may charge investors an additional fee of up to \$0.03 for each ETN that is repurchased at the investor's option.

The Issuer will have the right to repurchase the ETNs in whole but not in part on any business day during the term of the ETNs. Upon any such repurchase, the investor will receive a cash payment in an amount equal to the daily repurchase value.

If the closing value of the ETNs on any trading day is equal to or less than 25% of the leverage amount on such trading day (an “automatic early termination event”), as determined by the calculation agent, the Issuer will repurchase all of the outstanding ETNs. Upon any such repurchase, the investor will receive a cash payment in an amount equal to the daily repurchase value. The trading day immediately following the trading day on which the automatic early termination event occurs will be the valuation date applicable to such repurchase.

The ETNs seek to provide a leveraged return based on the performance of the index (as adjusted for costs and fees). The ETNs do not attempt to, and should not be expected to, provide returns that reflect leverage on the return of the index for periods longer than a single month. The ETNs rebalance their theoretical exposure on a monthly basis, increasing exposure in response to that month’s gains or reducing exposure in response to that month’s losses.

The ETNs are designed to reflect a leveraged exposure to the performance of the Index on a monthly basis, but their returns over longer periods of time can, and most likely will differ significantly from two times the performance of the Index, and returns on the ETNs may be negatively impacted in complex ways by volatility of the Index on a monthly basis. Accordingly, the ETNs should be purchased only by knowledgeable investors who understand the potential consequences of investing in the Index and of seeking monthly compounded leveraged investment results. Investors should actively and frequently monitor their investments in the ETNs.

### **Valuation of the Securities**

The Index is calculated intraday and attempts to reflect the returns that would be generated by a merger arbitrage investment strategy. The ETNs should be purchased only by knowledgeable investors who understand the potential consequences of investing in the Index and of seeking monthly compounded leveraged investment results.

### **Indicative Value**

The indicative value of the ETNs at any time equals the quotient obtained by dividing the product of the leverage factor and the level of the Index at such time (based on the most recent reported value of the Index at such time or, if the day on which such time occurs is not a trading day, as determined by the calculation agent) by the ETN divisor as of such day, minus the sum of (i) the accrued fee amount for the day on which such time occurs, (ii) the leverage amount as of the day on which such time occurs and (iii) the leverage charge for the day on which such time occurs.

### **Principal Risks**

The ETNs are senior unsecured debt obligations of Credit Suisse AG (“Credit Suisse”) and are subject to credit risk of Credit Suisse. The ETNs are Senior Medium-Term Notes as described in the prospectus supplement and prospectus and are riskier than ordinary unsecured debt securities. The return on the ETNs is linked to the performance of the Index. Investing in the ETNs is not equivalent to investing directly in the securities tracked by the Index or the Index itself. Risks include foreign securities risk, foreign currency risk,

short position risk, hedging risk and liquidity risk. Additional risks are discussed in the Prospectus and Pricing Supplement, available at [www.credit-suisse.com/notes](http://www.credit-suisse.com/notes).

### **Exchange Rules Applicable to Trading in the Securities**

The ETNs are considered equity securities, thus rendering trading in the Securities subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the Securities on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The Securities will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Securities in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Securities and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Securities if the primary market de-lists the Securities.

### **Suitability**

Trading in the Securities on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Securities to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to leveraged exchange-traded products (which include the Securities) and options on such products, as described in FINRA Regulatory Notices 09-31 (June 2009), 09-53 (August 2009) and 09-65 (November 2009).

### **Delivery of a Prospectus**

Members are advised to consult the “Supplemental Plan of Distribution” in the Pricing Supplement and Prospectus regarding prospectus delivery requirements.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the “Exchange Act”), regarding trading in Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007 and Barclays Bank PLC Exchange-Traded Notes (SEC No-Action Letters dated May 30, 2006 and July 27, 2006) for securities with structures similar to that of the securities described herein (the “Letters”). Credit Suisse represents that it is relying upon the Letters. As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested Members to consult the Letters, available at [www.sec.gov](http://www.sec.gov), for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the Issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits Issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an Issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M, thus permitting the Issuer and its affiliated purchasers to redeem the ETNs.

### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Securities’ Registration Statement, SAI, Prospectus and the Securities’ website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
CSMB	Exchange Traded Notes due March 13, 2031 Linked on a Leveraged Basis to the Credit Suisse Merger Arbitrage Liquid Index	22542D753